

**MINUTES
OF THE
SPECIAL BOARD MEETING
OF THE
STATE TRANSPORTATION BOARD
9:30 a.m., Thursday, October 3, 2002
Arizona Department of Transportation
State Transportation Board Room, Room #147
206 South 17th Avenue
Phoenix, Arizona 85007**

The State Transportation Board met in official session for a special meeting at 9:30 a.m., Thursday, October 3, 2002, with Chairperson Dusenberry presiding. Other Board members present included: Vice Chairperson Ingo Radicke, Dick Hileman, Bill Jeffers, Joe Lane and Jim Martin. Also present were Director Victor Mendez, Debra Brisk, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; Gary Adams, Assistant Director, Aeronautics Division; and Dale Buskirk, Acting Director, Planning Division. There were approximately 20 people in the audience.

OPENING REMARKS AND PLEDGE

Chairperson Dusenberry led the audience in the Pledge of Allegiance.

Non-Interstate Federal-Aid ("A" "B" projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)


BIDS OPENED:	September 19
HIGHWAY:	PHOENIX-GLOBE HIGHWAY (US 60)
SECTION:	US 60 / SR 79 Traffic Interchange
COUNTY:	Pinal
ROUTE NO:	US 60, SR 79
PROJECT:	STP-HES-TEA-060-D(006)B 060 PN 211 H564201C
FUNDING:	94% Federal 6% State
LOW BIDDER:	Ames Construction, Inc.
AMOUNT:	\$8,331,522.10
STATE ESTIMATE:	10,013,547.00
\$ UNDER:	1,682,024.90
%UNDER:	16.8%
NO. BIDDERS:	12
RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Radicke, seconded by Mr. Jeffers and passed unanimously.


ADJOURN

Board Action: A motion to adjourn was made by Mr. Radicke, seconded by Mr. Hileman and passed unanimously.

The meeting adjourned at 9:40 a.m.



Katie Dusenberry, Chairperson
State Transportation Board



Victor Mendez, Director
Arizona Department of Transportation

**MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION**

**9:40 A.M., Thursday, October 3, 2002
Arizona Department of Transportation
Board Room
206 South 17th Avenue
Phoenix, Arizona 85007**

The State Transportation Board met in official session for a study session at 9:40 a.m., Thursday, October 3, 2002, with Chairman Dusenberry presiding. Other Board members present included: Vice Chairperson Ingo Radicke, Dick Hileman, Bill Jeffers, Joe Lane and Jim Martin. Also present were Director Victor Mendez, Debra Brisk, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; Gary Adams, Assistant Director, Aeronautics Division; and Dale Buskirk, Acting Director, Planning Division. There were approximately 20 people in the audience.

FY 04 – 08 Program Study

Dale Buskirk presented an overview of the schedule for completing the FY 04 to FY 08 Five Year Program. He explained that between August 1 and October 15, 2002 the Priority Programming Team identified statewide projects available for programming.

A member asked if the Priority Programming Team is preparing a list of potential projects for scoping. Mr. Buskirk responded yes, noting they submitted a request to all District Engineers asking them to identify such projects. He stated, however, first consideration is being given to projects that were initially in the program, but were deferred.

Mr. Radicke stressed the importance of ensuring scoping occurs.

Mr. Mendez said MAG and PAG will identify projects available for programming and review projects for reprogramming and cost changes from August 1 to November 1. He stated the Technical Advisory Team will review the process from October 1 to November 15 and recommend a draft statewide tentative program. He said the State Engineer's Office will then review the project section from November 1 to December 4.

In response to Chairperson Dusenberry's question, Mr. Buskirk explained Mr. McGee provided the TAC with a tentative revenue forecast, which will be used to develop the draft tentative program. He said the forecast will be revised in January.

Mr. Buskirk stated MAG and PAG will work cooperatively in January 2003 to select projects for the draft tentative program and Financial Management Services will update their financial forecast. He noted the Priority Planning Advisory Committee is scheduled to review the Draft Tentative Program on January 3. He stated the Board will review the Draft Tentative Program during its February 6 study session, with the Priority Planning Advisory Committee expected to recommend the Tentative Program later that same day. He said the Transportation Board will

accept the Tentative Program on February 21, to be followed by a series of public meetings, wherein the Board will present the Tentative Program to the public. He stated final adjustments will be made after the public hearings and the Tentative Program will be presented to the Priority Planning Advisory Committee who will recommend a final program. He said the Transportation Board will adopt the final program at their June 20 meeting.

Chairperson Dusenberry asked if they are doing the RAC process. Mr. Buskirk responded yes, explaining RAC has already met and made their allocation decisions. Ms. Dusenberry suggested Mr. Buskirk indicate the RAC process has been accomplished in his next presentation.

Interim Programming Process

Mr. Buskirk explained the state will be using an Interim Programming Process until the Long Range Transportation Plan for the state has been finalized and adopted by the Board. He reviewed the mission of the Priority Programming Process, stating it reflects the department's goals and objectives, translates resource allocation decisions into project selection, is accountable to Arizona's stakeholders, uses performance based planning and programming processes, cooperatively involves all stakeholders, is an open process and selects the most cost-effective projects. He stated they will evaluate and prioritize deferred and new projects for the 2004-2008 Five Year Construction Program based on the criteria.

Chairperson Dusenberry recommended they send a list of deferred projects that have been scoped to the District Engineers.

Mr. Radicke asked to what degree a project has to be scoped. Chairperson Dusenberry pointed out the Board's policy requires the project be fully scoped.

Mr. Buskirk reviewed the performance criteria, stating some are very quantitative, while others are more substantive. He provided a sample of the proposed evaluation form, pointing out it looks not only at existing conditions, but future conditions as well. He reviewed a hypothetical data tabulation sheet, explaining the performance criteria are grouped into three broad categories; mobility, safety, and planning goals and objectives. He explained the criteria are not all of equal importance and are weighted to reflect their priority.

Chairperson Dusenberry asked who makes the decision as to how the criteria should be weighted. Mr. Buskirk said they will make a proposal that reflects ADOT and stakeholder input to the Board who will then make the final decision. He explained their intent is to make a decision on weighting performance criteria at a conceptual level rather than a project specific level.

Mr. Buskirk clarified for Mr. Radicke that the Priority Programming Committee will be responsible for completing the evaluation forms.

In response to Chairperson Dusenberry's question, Mr. Buskirk said their intent is to achieve consensus on the weights used to evaluate all potential projects. He stressed the importance of consistently applying the performance criteria across all projects.

Mr. Buskirk confirmed for Mr. Jeffers that areas who fail to report accident data will not be counted in the data they use when making their evaluation. Chairperson Dusenberry suggested the Board educate areas on the importance of accumulating accident data.

In response to questions from the Board, Mr. Buskirk explained the Resource Allocation Committee has already allocated resources to the different regions and MAG, PAG and ADOT will work cooperatively to identify and prioritize the projects. He said they will continue to honor the processes MAG and PAG use to evaluate projects.

Mr. Radicke stated money will have to be available for scoping if they intend to require full scoping before a project can be included in the program. Mr. Hileman expressed his opinion there should be some flexibility in terms of the degree to which a project must be scoped. Mr. Buskirk acknowledged special circumstances will preclude a project from being fully scoped, stating, therefore, a provision has been included allowing a project to be programmed if it is signed off on by the State Engineer. Ms. Brisk explained the department has three scoping documents; a scoping letter, a project assessment and a design concept report.

Mr. Radicke said he has seen apprehension on the part of District Engineers to include sidewalks and bicycle paths in their projects because it raises the cost of the project. Mr. Mendez said it is up to the stakeholders to inform the department of the need for a sidewalk or bicycle path. Mr. Radicke expressed his opinion it would cost less to include sidewalks and bicycle facilities as part of the original project than it would to add them in at a later date. Mr. Jeffers suggested areas would see the addition of sidewalks and other safety features as a means of obtaining a higher score during the evaluation process. Mr. Buskirk pointed out, however, cost considerations are also part of the project evaluation.

Chairperson Dusenberry asked who determines if a project has been scoped. Ms. Brisk said multiple individuals sign off on the documents. Chairperson Dusenberry said she has been given the impression that the DCR process takes longer than it should. Mr. Mendez explained a great deal of analysis involving several stakeholders is required, stating they do not intentionally delay finalizing any DCRs.

RABA – Additional Projects Added To The Program

Mr. Buskirk stated the RABA estimate totals \$50 million and the Resource Allocation Committee has allocated that amount in accordance with the traditional formula.

Mr. Radicke asked to see where the money was taken from initially before deciding where the \$50 million should be allocated. Mr. Mendez said he will work with Mr. Radicke to clarify his questions before bringing the item back to the Board's next study session.

HB 2660 Requirement

Mr. Buskirk presented an overview of HB 2660, which requires the Board to develop and adopt a Statewide Transportation Policy Statement. He provided a draft version of the Statewide

Transportation Policy Statement, reviewing its contents. He explained that they will be taking the statement to the public over the next six weeks and will revise the document based on comments from people within the department and regional planning entities and those received during the public meetings. He said they expect all reviews and revisions to be completed by mid November and to present the revised statement to the Board for approval at the November or December Board meeting.

Chairperson Dusenberry suggested the term multimodal be changed to multimodal/intermodal. Mr. Buskirk agreed.

Mr. Buskirk pointed out the statement is consistent with MoveAZ, despite slight differences.

The meeting recessed for a short break.

SR 69 and SR 89 – Prescott

Tom Foster, District Engineer for Prescott, presented an overview of the planned improvements near the SR 69 and SR 89 Interchange. A written copy of the phasing and funding information was submitted for the record. He explained the DCR is currently set up for about \$25 million, with \$14.1 million in the program. He stated they hope to finalize the DCR and EA by the end of the year.

A member asked what benefit the Tribes see in participating in the improvements. Mr. Foster explained they told the Tribes they would have to widen 69 to three lanes in each direction before they would be allowed to build a development across from Frontier Village. He said the Tribes also compete with Prescott in terms of commercial activity and the roads will make it easier for residents in Prescott to access their commercial developments.

Mr. Wright pointed out that current funding allows them to do everything except the slip ramp into Prescott.

Mr. Jeffers asked if the IGA includes the slip ramp and Sheldon/Gurley intersection reconstruction projects. Mr. Foster responded no. Mr. Jeffers asked Mr. Foster if they are confident that the prices quoted are accurate. Mr. Foster stated they are the best estimates they can make with the information available at this time, acknowledging the prices could change once design starts.

A member asked if there are plans to widen the road to the Dells. Mr. Foster responded no, explaining it would require carving through the rock.

Chairperson Dusenberry asked how is the connector at the Airport and 89 working. Mr. Foster stated it works fine now, but they will have to look at it again once the other two pieces are completed.

Revised Aviation Policies

Gary Adams presented the revised Aviation Policies to the Board, a written copy of which was submitted for the record. He explained no changes were recommended during last year's review, however, they have run into problems putting the five year program together. He identified the Duncan/Secondary Airports and a letter from the Governor returning 100 percent of the Flight Property Tax to the Aviation Fund as two key issues. He noted the Governor's letter also recommended the Board consider using the money being returned for economic development projects and looking closely at the prioritization system. He said they established a committee made up of various stakeholders who went through the Board's policies and recommended changes.

Mr. Adams explained the original priority rating system they used to numerically score all projects did not allow secondary airports to compete with larger airports. He said, therefore, they created a different priority rating system for small airports and established a set-aside of money. He stated they later decided to drop the secondary set-aside but did not change the priority rating system. He said they noticed last year that the priority numerical scoring system actually rates secondary airports higher than the primary airports, therefore more dollars were being spent on secondary airports.

In response to Chairperson Dusenberry's question, Mr. Adams stated there are 20 commercial service airports, approximately 40 primary airports and seven secondary airports. He noted there are also about 300 private landing strips and heliports located throughout the state.

Mr. Adams said the Committee decided the priority rating system should be left alone, but that the secondary set-aside should be reestablished. He explained doing so will give primary airports more money. He said the Committee also added language to more clearly explain the types of environmental projects that are eligible for assistance.

Mr. Adams said the Governor, in her letter to the Board, indicated there should be a greater emphasis placed on economic development as it relates to airports as economic engines. He stated the Loan Committee opposed using grant funds for economic development and felt economic development projects should be done through the loan program. He explained they have created a new category of loans, Economic Development Loans, that are available to airports for projects that promote airport self-sufficiency, but are typically not considered direct revenue producing projects.

In response to Chairperson Dusenberry's question, Mr. Adams explained Mr. McGee uses the Delphi-Hanover Index to determine the interest rates applied to the loans. He noted they increased the repayment period to 25 years.

Mr. Adams reviewed other technical changes made to the policies, noting some of the language was changed to make it more universal, particularly as it relates to aviation regulations.

Mr. Adams confirmed for the Board that secondary airports are not eligible for federal assistance.

Mr. Radicke asked about the local match. Mr. Adams explained on federal/state/local projects, the federal government puts up 91.06 percent, the state puts up 4.47 percent and the locals put up 4.47 percent. He said on state/local projects, the state puts up 90 percent for primary airports and 95 percent for secondary airports.

The meeting recessed for a short break.

Maricopa County ½ Cent Sales Tax Extension Proposal

Mr. Mendez presented an overview of the Maricopa County ½ Cent Sales Tax Extension proposal. He said the Legislature asked ADOT to recommend how it would use the ½ cent sales tax if it were extended for 20 years under the original purpose, noting the original purpose allocates 98 percent of the funds to highways and freeways and 2 percent to transit. He said they also asked what ADOT would recommend if certain portions of the initiative were cut out and redirected to other areas. He said they looked at two alternatives, one with 90 percent of the funds going to highways and freeways and 10 percent going to transit and other modes and a second with an 80/20 split. He stated the Regional Area Road Fund is the primary funding source for all new freeways in the region, pointing out the tax will expire at the end of 2005. He said they hope to have 147 miles of freeway in place by 2007. He said they looked at three main objectives: 1) establishing a regional transportation system that moves people and goods in a safe and efficient manner; 2) improving the quality of life for people in the region; and 3) relieving congestion.

Mr. Mendez stated, based on their initial analysis, they need approximately \$12 billion to address five categories of need: 1) quality of life improvements, such as noise mitigation, landscaping, ITS, freeway service patrol and maintenance; 2) improvements to existing corridors, including closing the medians and implementing the HOV plan already in place, adding general purpose lanes, replacing cable barriers with concrete barriers, and adding capacity on I-10, I-17, US 60 and Grand Avenue; 3) implementation of new highways and freeways, including finalizing the South Mountain Freeway, putting Loop 303 back into the program, creating southeast and southwest valley corridors, and extending the Price freeway south of the Santan and the Estrella Freeway south of I-10; 4) transit support features, such as HOV lanes and park and ride lots; and 5) improvements and enhancements to existing transit services, for instance increasing the number of express buses coming from the east valley. With regard to noise mitigation, he said they are suggesting the region commit to laying rubberized asphalt pavement throughout the entire system.

In response to Chairperson Dusenberry's question, Mr. Mendez stated rubberized asphalt costs \$400,000 per mile and has a 10 to 12 year life cycle. He stated, based on their research, they believe rubberized asphalt lowers noise by approximately five decibels.

Mr. Radicke asked how many cars are removed from the freeway system by the transit system. Mr. Wright offered to provide the numbers to Mr. Radicke.

Mr. Mendez stated extending the ½ cent sales tax for 20 years would generate between \$7.6 and \$10.5 billion, based on a two to five percent growth. He noted MAG's estimate was about \$9

billion and the City of Phoenix estimated close to \$10 billion. He explained Alternative A is the original 98/2 percent split, Alternative B is a 90/10 percent split and Alternative C is an 80/20 percent split.

Mr. Mendez noted MAG established a Transportation Policy Committee composed of 15 elected officials and 10 business people. He said he will formally submit their response to the TPC tomorrow.

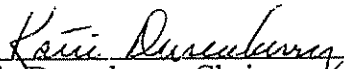
Chairperson Dusenberry asked if there is any talk about a statewide half-cent sales tax. Mr. ____ responded yes, stating the issue was discussed at their Transportation Policy Committee retreat and they are sending a letter to rural groups to invite them to participate in a dialogue.

Adjournment

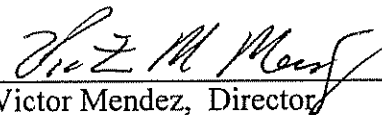
No closing comments were made.

Board Action: A motion to adjourn was made, seconded and passed unanimously.

The meeting adjourned at 1:20 p.m.



Katie Dusenberry, Chairperson
State Transportation Board



Victor Mendez, Director
Arizona Department of Transportation

**MINUTES
OF THE
STATE TRANSPORTATION BOARD
SPECIAL "TELEPHONIC" STUDY SESSION
1:00 P.M., Monday, October 7, 2002
Arizona Department of Transportation
Director's Office
206 South 17th Avenue
Phoenix, Arizona 85007**

The State Transportation Board met in official session for a special "telephonic" study session at 1:00 p.m., Monday, October 7, 2002, with Chairman Dusenberry presiding. Other Board members present included: Vice Chairperson Ingo Radicke, Rusty Gant, Dick Hileman, Joe Lane, and Jim Martin. Also present were Director Victor Mendez and Gary Adams, Assistant Director, Aeronautics Division.

Commercial Air Service to Rural Communities

Chairperson Dusenberry explained the subject of the study session is the result of a letter she received from the Governor asking the Board to consider using some of the State Aviation Fund money to assist rural communities in getting or retaining air service. She said she told the Governor she feels the Board would have to be assured that the law passed to revert money taken out of the Aviation Fund would have to be upheld and that they should speak with Mayors of the communities who might be denied air service. She stated she and Mr. Radicke met with the Mayors, referring to a written summary of the comments made during that meeting. She asked the Board members to comment on the issue, stating she will place it on their regular agenda for the Apache Junction meeting.

Mr. Hileman said the Legislature put together a Rural Aviation Partners Task Force, noting he was asked to serve as liaison between the Board and the Task Force. He stated Senator McCain has expressed interest in getting involved on the federal side. He recommended they suggest the Governor institute a meeting between rural aviation partners and the servicing airlines to see if the timeframe can be advanced to this month.

Chairperson Dusenberry said they still need to decide whether or not the Board wants to consider making use of the State Aviation Fund, but other suggestions can be included in the Board's response to the Governor. She noted the Mayor from Sierra Vista thought Economic Development money might be available in the Commerce Department budget. She explained the issue arose when America West said they might not be able to serve rural communities any longer due to their economic condition.

Mr. Hileman said the Mayor of Lake Havasu's absence at the meeting should not be construed as a lack of interest on their part. Chairperson Dusenberry pointed out Lake Havasu applied for \$400,000 in federal funding, but has not yet drawn down any of those funds. Mr. Adams agreed, noting they have not yet applied for the \$200,000 in state funding either. Mr. Hileman said Ms. Bender has instituted a meeting with Bruce Williams, the City Manager and Ed Swender at 10:00

a.m. to discuss the issue. He stated Lake Havasu supports keeping the Aviation Fund money for capital improvements, at least until such time as the fund is definitely restored. Chairperson Dusenberry said every community they have spoken with feels the fund monies need to be used for capital improvement.

Mr. Lane suggested they tell John Carlson to let the Governor know there is no support for the idea. Chairperson Dusenberry agreed, asking Mr. Mendez to draw up a resolution stating, while the Board recognizes the problem, it does not feel using Aviation Fund monies is an appropriate solution. Mr. Mendez clarified the Board is to respond to the Governor in letter form, rather than by Resolution. He said he will draft a letter for the Board's review at the Apache Junction meeting. He suggested they mention Ms. Bender's proposed meetings in the letter. Chairperson Dusenberry recommended they also include the Mayor of Sierra Vista's suggestion to look at other departments' budgets. Mr. Mendez said he spoke with Margie Emmermon who said there is little money left in the Commerce budget.

In response to a member's question, Chairperson Dusenberry clarified that every Mayor said they would not be able to find matching funds. Mr. Lane pointed out they would be throwing out the 90 percent federal match if the money is diverted.

Mr. Hileman stated the problem is that it is cost prohibitive for a person to fly from a rural town to Phoenix and back. He said they need to study various aspects of the issue to find alternative solutions.

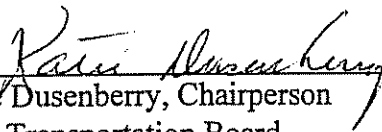
Chairperson Dusenberry said the problem began with the deregulation of the airlines, pointing out prior to deregulation certain routes were mandated.


Mr. Mendez said the airline industry itself has changed and structural changes will have to occur or the government will be in danger of having to subsidize airlines forever.

Chairperson Dusenberry asked Mr. Mendez to forewarn John Carlson of the Board's position prior to the Board issuing a letter.

Adjournment

The meeting adjourned at 1:30 p.m.


Katie Dusenberry, Chairperson
State Transportation Board


Victor Mendez, Director
Arizona Department of Transportation

**MINUTES
OF THE
STATE TRANSPORTATION BOARD
BOARD MEETING**

9:00 a.m., Friday, October 18, 2002

**City of Apache Junction Council Chambers/Magistrate Court Building
1001 North Idaho Road
Apache Junction, Arizona 85219**

The State Transportation Board met in official session for a regular meeting at 9:00 a.m., Friday, October 18, 2002, with Chairperson Dusenberry presiding. Other Board members present included: Ingo Radicke, Vice Chairperson; Rusty Gant; Dick Hileman; Bill Jeffers; Joe Lane; and Jim Martin. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; Dick Wright, State Engineer; John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Acting Director, Planning Division; and Eileen Colleran, Legislative Services. There were approximately 80 people in the audience.

OPENING REMARKS AND PLEDGE

Chairperson Dusenberry led the audience in the Pledge of Allegiance. She thanked the City of Apache Junction for their hospitality Thursday night and introduced dignitaries in the audience.

CALL TO AUDIENCE

Douglas Coleman, Mayor of Apache Junction, welcomed the Board to their community. He asked to have a traffic signal installed at the intersection of SR 88 and 16th Avenue, stating it has become one of the most dangerous intersections in their community. He said the city would be willing to share the cost of the traffic signal. He also asked the state to clean the right-of-way along U.S. 60 to an acceptable standard, stating they would then be willing to maintain it to that standard.

Ken Parker, President, Parker Development, addressed the Board concerning freeway noise. He said he and his neighbors chose to move to a rural area and are very concerned about the noise associated with the new freeway. He stated they were told by ADOT that the freeway would be subterranean, however, it is not. He noted decibel readings taken from his patio indicated 64 decibels, however, because readings taken from his yard, which is surrounded by a wall, were lower, he was told they do not qualify for noise mitigation. He said the person was unwilling to take readings beyond the wall on his property or from the second story deck of his house. He asked the Board to do something to address the problem, stating, if they do not, he and his neighbors will be forced to pursue the issue through other means. He stated they need and expect an earthen berm with a wall.

Stanley Gibson, Mayor of Globe, asked the Board to approve Item 17, stating the new school being built in that area will increase the amount of traffic considerably. He encouraged the

Board to consider additional passing lanes between Superior and Globe. He suggested they also look into the future and consider developing an interstate that would run from the Superstition freeway through Globe and Superior.

Steve Stratton, Deputy Director of Public Works, Globe, also asked the Board to consider additional passing lanes between Superior and Globe. He said the road has heavy traffic and a number of people have been killed trying to pass. He also asked the Board to support Item 17, noting his child will attend the school once it opens.

Carol Urich, Councilmember, Apache Junction, stated she is speaking for herself, not the Council. She expressed her opinion that public transportation is the citizens' biggest concern, stating a number of citizens are unable to drive and rely on public transportation. She urged the Board to do something to improve air pollution in the state and suggested they create a system that allows passengers to ride for free, stating it would help ensure the system is fully utilized.

John Babiarz, President, Greenfield Citrus Nursery, said he concurs with the Ken Parker's comments and wants to go on record as being concerned about the noise problems. He agreed they were originally informed by ADOT that the freeway would be subterranean. He said, however, the freeway stands as much as two or three feet above grade. He said, while no one has taken readings from his house, tests taken at his neighbor's house indicated extremely high decibel levels.

Mark Miku, President, Ananco, supported Mr. Parker's position, stating noise is a very serious issue. He characterized the sound inside his house during rush hour traffic as being similar to a freight train. He asked the Board to consider installing sound attenuation walls and berms.

Andy Zimmerle, North Country Acres, also spoke concerning freeway noise. He said the Director of Sound and Environmental Management was shocked by the noise level readings at his neighbor's house.

Cecil Loter, citizen, also addressed the Board about freeway noise, likening the situation to living next to Niagara Falls. He said, prior to the opening of the freeway, he always enjoyed the peace and quiet of his neighborhood. He pointed out the section that has grooved pavement amplifies the noise to a point where people in their cars cannot hear their radios.

Don Stapley, Chairman, Maricopa County Board of Supervisors, stated, while not part of Maricopa County, Apache Junction is still part of the non-attainment area and part of the planning area for the entire valley. He asked the Board to keep that in mind as it plans for the future. He urged the Board to do what it can to mitigate the noise along the freeway. He also asked that, as they consider continuation of the half-cent sales tax, the Board consider including northern Pinal County as part of the governance structure.

Sandie Smith, County Supervisor, said today's testimony underlines the importance of sound mitigation efforts. She said they need to be sure the alternate roadway appears on all plans,

noting she has appropriated the necessary funds in her budget. She noted they meet with the east valley and Maricopa County every other month to discuss alternate corridors.

David Gibson, Architect, said he bought his house four years ago and was assured by ADOT that the freeway would be below grade. He said, unfortunately, those assurances were proven to be false. He said the area had a small town, quiet, peaceful atmosphere, however, the noise problems have created a lot of tension among residents. He pointed out a face-to-face conversation registers approximately 52 to 54 decibels and 62 decibels is considered moderately noisy. He said it is important to be able to open windows to ventilate a house, however, the noise precludes him from being able to do so. With regard to the grooved section of freeway, he said the grooves are in the wrong direction and result in increased noise. He said a barrier wall and rubberized asphalt would do a lot to reduce the noise.

Tim Walker, resident, spoke about noise along the Loop 202. He said readings he has taken indicate noise levels of 69 to 73 decibels. He said ADOT has not always been very responsive. He stated there are three different types of grooves and tests have shown that randomized grooves result in increased noise. He questioned whether a wall by itself would provide sufficient mitigation, stating he believes a combination of a berm, wall and rubberized asphalt will be necessary. He said the noise negatively impacts the value of homes in the area and decreases their ability to sell their homes.

Jim Patterson, East Valley Partnership, Transportation Co-Chair, thanked the Board for attending the East Valley Partnership Transportation Committee meeting. He expressed appreciation for all of the work the Board does in the region and throughout the state. He agreed something has to be done in terms of governance.

John Anderson, Executive Director, Arizona Transit Association, said Transit Association members will be attending Board meetings on a regular basis. He explained they have major concerns, particularly in rural areas, given the loss of LTAF funding. He pointed out that, unlike larger cities, small rural areas do not have the opportunity to pass a tax to fund transportation.

REPORT

Kwi Kang reported on the status of the freeway system. He said, as of today, they have opened 95 miles of freeways and 10 miles are under construction. He stated the latest opening, Red Mountain Freeway between Gilbert and Greenfield, occurred in October. He noted the next one mile section is expected to open by January 2003. He said six major regional freeway construction projects are underway on the Red Mountain, Santan, S.R. 51 and Grand Avenue corridor. With regard to the US 60 Design Build, Mr. Kang stated they opened the HOV ramp between I-10 and McClintock in June 2002 and all eastbound lanes on September 30. He said westbound HOV and all other lanes will be opened this coming Monday. He said they have acquired approximately 7,400 acres of right-of-way and six major regional freeway construction projects are expected to be advertised during the current fiscal year. He said the proposals on the S.R. 51 Design Build project are due by October 30 and bidding will open in December. He

reported the South Mountain Environmental Impact Statement and Design Concept Report are currently underway, as is the Grand Avenue Environmental Assessment.

Chairperson Dusenberry asked Mr. Kang if they are on schedule to complete the freeway system in 2007. Mr. Kang responded yes. Mr. Mendez pointed out the target is to have the system completed by the end of 2007.

CONSENT AGENDA

No items were taken off the consent agenda.

DIRECTOR'S REPORT

Mr. Mendez said he attended the AASHTO meeting in Alaska which addressed reauthorization, safety and environmental streamlining. He said they will hold a Board study session to provide the Board with a more in-depth briefing. With respect to reauthorization for surface transportation, he stated the finance policy statement was the biggest issue. He said they agreed to continue with a menu of options to try to increase the level of federal revenues available for surface transportation. In terms of safety, Mr. Mendez said Dr. Rumke made a compelling presentation on the human element of safety, as well as the loss of productivity throughout the nation. He said they will continue working on environmental streamlining.

Mr. Mendez said they are basically done with the US 60 project and a press conference is scheduled for 3:00 p.m. He said the Hoover Dam bypass groundbreaking will be held Monday. He stated he met with Mary Peters for a one-on-one discussion of Arizona's issues, including environmental streamlining, and the need for better cooperation with FHWA with respect to noise mitigation strategies. He said they also discussed the Hoover Dam bypass issue, both in terms of budget needs and the pedestrian walkway.

Debra Brisk reported copies of ASHTO's bottom line report have been ordered for each Board member.

Legislative Report

Eileen Collieran updated the Board on legislative issues. She stated the 2003 Transportation Appropriation has not yet passed, noting Congress has done another continuing resolution that is good until November 22. She said they will continue work on the appropriations bill when they come back November 22, however, it is unclear if they will actually attempt to pass each of the 11 appropriation bills separately or combine them in an omnibus bill. She stated the Senate and House recommendations for transportation funding are different by over \$4 billion. Ms. Collieran stated the Senate version of the Hoover Dam bypass project includes \$16.5 million, \$8.5 million for Nevada and \$8 million for Arizona. She said it also includes a provision that allows the Secretary of Transportation to have an agreement with Arizona and/or Nevada to use bonds that are funded through the Federal Lands Highway project to complete the funding. She said the House version only contains \$5 million for the State of Arizona and they would likely not see

any earmarking if Congress does an omnibus bill. She said Congress has held numerous meetings with stakeholders to provide testimony and recommendations.

On the state level, Ms. Collieran reported they are working on the 2003 legislative package and will share it with the Board once it has been finalized. She said members of the legislature have asked the Department to assist them in looking at the litter issue. She passed around handouts providing a history on the Vehicle License Tax and Highway Users Revenue fund, as well as a Federal Bill Tracking chart and bill description.

Mr. Lane asked why Nevada would receive \$8.5 million and Arizona would only receive \$8 million. Mr. Mendez said, technically, the Nevada side of the project is probably more difficult. He pointed out they have tried to take a team approach to the project.

In response to Chairperson Dusenberry's question, Ms. Collieran explained the dollar amounts in the continuing resolution resemble the House bill, however, they have an obligation ceiling that looks like the Senate bill. She stated the Executive Branch is committed to the lower figure seen in the House bill.

Mr. Mendez noted he, Ms. Brisk and others will meet with Congressman Young on Sunday to talk about Arizona's needs and transportation in general.

Financial Report

Mr. McGee reviewed the September 2002 Highway User Revenue Fund report, stating collections for the month totaled \$89.706 million, a 10.3 percent increase over last September and 4.7 percent over the forecast. He said, year-to-date, collections total \$266.8 million, 5.7 percent over the first quarter of last year and 2 percent over the forecast. He stated all categories, except Other, show growth over last year, while all categories, except Other and Gas Tax, show growth compared to the forecast.

Mr. McGee reviewed preliminary RARF information for the month of September, stating collections appear to total \$21.651 million, up one percent over last September, but .5 percent under forecast. He said year-to-date collections stand at \$65.486 million, .8 percent over last year, but .4 percent under the forecast. He stated they have not yet received category-by-category information.

Mr. McGee discussed the Cash Management/Investment Program Performance reports for August and September 2002, noting the department earned \$2.178 million in August and \$2.047 million in September. He said total investment earnings for the first quarter total \$6.442 million, representing an average investment yield of 3.42 percent. He noted the department's average investment yield in September 2001 was 5.34 percent.

Mr. McGee reported a HELP Fund Cash Balance as of September 30, 2002 of \$115,642,583. He explained fairly significant amounts were distributed to three projects during the month. He noted the fund was repaid approximately \$4 million.

Financing Program

Mr. McGee provided a State Infrastructure Bank Loan Agreements by State report dated June 2002, noting Arizona's program continues to be one of the most successful in the nation. He said Arizona's program ranked first in terms of the number of loans approved, second in terms of total loan disbursements and third in terms of dollar value of loan agreements approved. He announced Standard & Poor's and Moody's reaffirmed their senior bond ratings. He provided copies of their analyses. He reported interest rates have been moving steadily higher over the past six or seven trading days. He said, while they do not know how long the trend will last or how volatile the markets will continue to be, he believes the market will settle down by the time they are ready to price the issue. He stated they are still targeting pricing the issue during the week of October 28, subject to overall market conditions.

Mr. Freund reviewed the Highway Revenue Bonds Series 2002B Pre-Pricing Review.

Direction to Proceed: Highway Revenue Bonds

Mr. McGee presented and recommended approval of a Resolution directing Department Staff, Financial Advisor and Bond Counsel to take all actions necessary precedent to its planned issuance of Arizona Transportation Board Highway Revenue Bonds.

Board Action: A motion to approve the following Resolution was made by Mr. Radicke and seconded by Mr. Jeffers:

RESOLUTION

RESOLUTION OF THE STATE OF ARIZONA TRANSPORTATION BOARD DIRECTING STAFF, ADVISORS AND BOND COUNSEL IN MATTERS PERTAINING TO ITS PLANNED ISSUANCE OF HIGHWAY REVENUE BONDS.

The board hereby directs Departmental staff, working with RBC Dain Rauscher Inc. as Financial Advisory and Squire, Sanders & Dempsey L.L.P. as Bond Counsel to the Board, to take all actions necessary precedent to the Board's planned issuance of its Highway Revenue Bonds, in one or more series of senior or subordinated bonds, to be designated, and on such other terms and conditions as determined and authorized by Resolution of the Board.

Dated this 18th day of October, 2002.

The motion passed unanimously.

Dale Buskirk explained, subsequent to the Board's study session to review the policies, Tom Swanson addressed a letter to Chairperson Dusenberry raising a number of issues and recommending editorial changes. He said, for instance, under E-17 - Program Development Policy, PAG is recommending the RAC continue after the completion of the State Long Range Transportation Plan. He said PAG is also recommending that the Board expand F-19 - Congestion Mitigation and Air Quality Improvement Program Policy to include areas that are in a maintenance status. He stated PAG further recommends that explicit mention be made of Title 6 of the Civil Rights Act and Federal Environmental Justice Regulations. He stated, given the time and attention the Board has given to the draft, he would recommend approval of the policies.

Chairperson Dusenberry agreed the Board should proceed with approval of the draft policies, pointing out the request for changes came in after the public input period. Mr. Mendez pointed out a number of the changes were previously addressed by the Board.

Board Action: A motion to approve the above recommendation was made by Mr. Radicke and seconded by Mr. Hileman

Mr. Jeffers agreed to proceed with approval, stating, however, he believes the committee should review the proposed changes and bring them back to the Board before printing and distributing a final document.

Upon a call for the question, the motion passed unanimously.

The meeting recessed for a short break.

***2002 REMAINING BOARD MEETING DATES:**

November 15, 2002	Board Meeting – Yuma	9:00 a.m.
December 20, 2002	Board Meeting – Tucson	9:00 a.m.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

FY 2003 - 2007 Transportation Facilities Construction Program Requested Modifications

ROUTE NO:	I-8 @ MP 0.40
COUNTY:	Yuma
SCHEDULE:	FY 2002
SECTION:	Ave 3E TI (SR 280)
TYPE OF WORK:	Reconstruct Traffic Interchange
PROGRAM AMOUNT:	\$9,900,000 Funding Source: NH
PROJECT MANAGER:	Tamara Clarke
PROJECT:	H468101C Item Number; 10004
REQUESTED ACTION:	Reestablish program line item in amount of

\$9,900,000 in the FY 2003 Highway Construction Program. Project was advanced to FY 2002 from FY 2004 at the March 15, 2002 Transportation Board meeting with a HELP loan. Due to right of way issues the project was not able to advertised in FY 2002.

NEW PROGRAM AMOUNT: \$9,900,000

Board Action: A motion to approve the above recommendation was made by Mr. Jeffers, seconded by Mr. Hileman and passed unanimously.

ROUTE NO: SR 10 B @ MP 17.50
COUNTY: La Paz
SCHEDULE: Underway Program
SECTION: B-10; Quartzsite
TYPE OF WORK: Acquire right of way
PROGRAM AMOUNT: \$668,000 Funding Source: State
PROJECT MANAGER: Craig Reed
PROJECT: H519601R
REQUESTED ACTION: Increase program amount by \$1,000,000 to \$1,668,000 due to higher than anticipated right of way cost. **Funds available from FY 2003 Right of Way Contingency Fund #77903.**

PROGRAM AMOUNT: \$668,000
INCREASE AMOUNT: \$1,000,000
NEW PROGRAM AMOUNT: \$1,668,000

Board Action: A motion to approve the above recommendation was made by Mr. Radicke, seconded by Mr. Hileman and passed unanimously.

ROUTE NO: SR 77 @ MP 386.00
COUNTY: Navajo
SCHEDULE: New Project Request
SECTION: Junction State Route 377
TYPE OF WORK: Construct intersection lighting
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Dave Monson
PROJECT: HX11501C
REQUESTED ACTION: Add a new project to the FY 2003 Highway Construction Program in the amount of \$100,000 for intersection lighting. **Funds available from the FY 2003 Traffic Engineering Fund #71203.**

NEW PROGRAM AMOUNT: \$100,000

Board Action: A motion to approve the above recommendation was made by Mr. Jeffers, seconded by Mr. Radicke and passed unanimously.

ROUTE NO: US 95 @ MP 59.00
COUNTY: Yuma
SCHEDULE: FY 2003
SECTION: Castle Dome Annex Road
TYPE OF WORK: Improve intersection sight distance
PROGRAM AMOUNT: \$210,000 Funding Source: State
PROJECT MANAGER: Mike Bruder
PROJECT: H558201C Item Number: 22503
REQUESTED ACTION: Increase program amount by \$130,000 to \$340,000 due to increased pavement scope and cost updates.
Funds available from FY 2003 District Minor fund #73303.

PROGRAM AMOUNT: \$210,000
INCREASE AMOUNT: \$130,000
NEW PROGRAM AMOUNT: \$340,000

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Radicke and passed unanimously.

ROUTE NO: US 95 @ MP 44.10
COUNTY: Yuma
SCHEDULE: New Project Request
SECTION: Aberdeen Road & YPG Entrance
TYPE OF WORK: Intersection Improvement
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: David Harmon
PROJECT: H601701C
REQUESTED ACTION: Add a new district minor project to the FY 2003 Highway Construction Program in amount of \$300,000. **Funds available from the FY 2003 District Minor fund #73303.**

NEW PROGRAM AMOUNT: \$300,000

Board Action: A motion to approve the above recommendation was made by Mr. Radicke, seconded by Mr. Hileman and passed unanimously.

ROUTE NO: US 95 @ MP 98.30
COUNTY: La Paz
SCHEDULE: New Project Request
SECTION: La Paz Valley Road
TYPE OF WORK: Intersection Improvement
PROGRAM AMOUNT: New Project Request

PROJECT MANAGER: David Harmon
PROJECT: H601301C
REQUESTED ACTION: Add a new district minor project to the FY 2003 Highway Construction Program in amount of \$200,000. **Funds available from the FY 2003 District Minor fund #73303.**
NEW PROGRAM AMOUNT: \$200,000

Board Action: A motion to approve the above recommendation was made by Mr. Radicke, seconded by Mr. Hileman and passed unanimously.

ROUTE NO: SR 191 B @ MP 0.00
COUNTY: Cochise
SCHEDULE: New Project Request
SECTION: 5th Street Drainage - East side
TYPE OF WORK: Drainage improvement
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Lynn Sugiyama
PROJECT: H619701C
REQUESTED ACTION: Add a new program line item to the FY 2003 Highway Construction Program in the amount \$15,000 for JPA 02-057 payment with the City of Douglas. The City of Douglas is to construct drainage improvements with city forces. **Funds available from the FY 2003 District Minor Fund #73303.**
NEW PROGRAM AMOUNT: \$15,000

Board Action: A motion to approve the above recommendation was made by Mr. Martin, seconded by Mr. Jeffers and passed unanimously.

ROUTE NO: US 60 @ MP 182
COUNTY: Maricopa
SCHEDULE: New Project Request
SECTION: Gilbert Road TI
TYPE OF WORK: Design dual left turn
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Floyd Roehrich
PROJECT: H601501D Item Number #14404
REQUESTED ACTION: Reestablish FY 2002 project in the FY 2003 Highway Construction Program in the amount of \$216,000. Project was to have been advertised in FY 2002, and was not reprogrammed through the reprogramming process.
See funding sources below:

FY 2002 Project Item #14404 Budget	\$170,000
FY 2002 ITS Engineering Development Fund #70703	\$46,000
NEW PROGRAM AMOUNT:	\$216,000

Board Action: A motion to approve the above recommendation was made by Mr. Lane, seconded by Mr. Gant and passed unanimously.

ROUTE NO: US 60 @ MP 251.8
 COUNTY: Gila
 SCHEDULE: FY 2004
 SECTION: McMillen Wash – Jct. SR 70
 TYPE OF WORK: Pavement Preservation
 PROGRAM AMOUNT: \$100,000 Funding Source: State
 PROJECT MANAGER: Vicki Bever
 PROJECT: Item Number: 17704
 REQUESTED ACTION: Combined scope of work and budget with project US 70; Jct. US 60 – Jct SR 77, Item Number 17904 and delete this project from the FY 2004 Highway Construction Program. **Funds return to the FY 2004 Pavement Preservation Fund #72504.**

ROUTE NO: US 70 @ MP 251
 COUNTY: Gila
 SCHEDULE: FY 2004
 SECTION: Jct. US 60 – Jct. SR 77
 TYPE OF WORK: Pavement Preservation
 PROGRAM AMOUNT: \$965,000 Funding Source: STP
 PROJECT MANAGER: Vicki Bever
 PROJECT: Item Number: 17904
 REQUESTED ACTION: Combined projects scope of work and budget with US 60; McMillen Wash – Jct US 70 Item Number 17704, and increase program amount by \$5,705,000 to \$6,670,000 Change name of project to US 70; McMillen Wash – Jct. SR 77. Change scope of work to reconstruct roadway.
See funding sources below.

PROGRAM AMOUNT:	\$965,000
INCREASE AMOUNT:	\$5,705,000
FY 2003 Highway contingency Fund #72303	\$1,260,000
FY 2004 Pavemen Preservation Fund #72504	\$1,595,000
FY 2004 District Minor fund #73304	\$1,500,000
FY 2004 Projects of Opportunity #75004	\$1,350,000
NEW PROGRAM AMOUNT:	\$6,670,000

Board Action: A motion to approve Items 16 and 17 was made by Mr. Radicke, seconded by Mr. Hileman and passed unanimously.

FY 2003 - 2007 Aeronautics Development Program Requested Modifications

PROJECT:	State Transportation Board Policies Revisions
SPONSOR:	State of Arizona
CATEGORY:	Board Policies
SCHEDULE:	FY 2003
PROJECT #:	N/A
PROGRAM AMOUNT:	N/A
TYPE OF WORK:	Review recommendations for revision to the State Transportation Board's Policies governing the Aviation Fund and distribution of monies to various airport/projects.
REQUESTED ACTION:	Approve the Recommendations presented by the Aeronautics Division for FY 2003

Mr. Adams reviewed major changes made to the Board's proposed Aviation Policies for FY 2003. He said, first, they are recommending a two percent set aside be created for the secondary airport system.

Upon Chairperson Dusenberry's request, Mr. Adams agreed to provide list of primary and secondary airports currently on the state system.

Mr. Adams said the other major change dealt with the loan program and the need to address economic development. He stated the language in the loan program was changed to place more emphasis on economic development and a new class of airport loan was created specifically for economic development purposes. He said, unfortunately adequate funding for a loan program does not exist at this time.

Board Action: A motion to approve the above recommendation was made by Mr. Radicke, seconded by Mr. Hileman and passed unanimously.

PROJECT:	Flagstaff-Pulliam Airport
SPONSOR:	City of Flagstaff
CATEGORY:	Commercial Service Airport
SCHEDULE:	FY 2003 - 2007
PROJECT #:	E3F21
PROGRAM AMOUNT:	\$1,098,178
TYPE OF WORK:	Conduct Airport Master Plan/Part 150 Study; Conduct Benefit/Cost Analysis & Environmental Assessment; Conduct Wildlife Hazard Management Assessment; Acquire

REQUESTED ACTION:	Snow Plow; Acquire Handicap Boarding Device
	Provide \$49,089 funds to match Federal Grant AIP- 22: Total project \$1,098,178:
FUNDING SOURCES	
	FAA \$1,000,000
	Sponsor \$49,089
	State \$49,089
	Total Program \$1,098,178

PROJECT:	Williams Gateway Airport
SPONSOR:	Williams Gateway Airport Authority
CATEGORY:	Reliever Airport
SCHEDULE:	FY 2003 - 2007
PROJECT #:	E3F22
PROGRAM AMOUNT:	\$164,726
TYPE OF WORK:	Construct/rehabilitate Taxiway "A", Phase III
REQUESTED ACTION:	Provide \$7,363 funds to match Federal Grant AIP-10. Total project \$164,726:
FUNDING SOURCES	
	FAA \$150,000
	Sponsor \$7,363
	State \$7,363
	Total Program \$164,726

PROJECT:	Cottonwood Airport
SPONSOR:	City of Cottonwood
CATEGORY:	General Aviation
SCHEDULE:	FY 2003-2007
PROJECT #:	E3F23
PROGRAM AMOUNT:	\$164,726
TYPE OF WORK:	Install Airport Perimeter Fencing (approx 7,000 lf) including security enhancements.
REQUESTED ACTION:	Provide \$7,363 funds to match Federal Grant AIP-08. Total project \$164,726:
FUNDING SOURCES	
	FAA \$150,000
	Sponsor \$7,363
	State \$7,363
	Total Program \$164,726

PROJECT:	Page Airport
SPONSOR:	City of Page
CATEGORY:	Commercial Service
SCHEDULE:	FY 2003-2007
PROJECT #:	E3F24

PROGRAM AMOUNT:	\$1,098,176								
TYPE OF WORK:	Rehabilitate Taxiway, Apron; Acquire ARFF vehicle; Construct ARFF building; and security enhancements.								
REQUESTED ACTION:	Provide \$49,088 funds to match Federal Grant AIP-15. Total project \$1,098,176:								
FUNDING SOURCES	<table> <tr> <td>FAA</td> <td>\$1,000,000</td> </tr> <tr> <td>Sponsor</td> <td>\$49,088</td> </tr> <tr> <td>State</td> <td>\$49,088</td> </tr> <tr> <td><i>Total Program</i></td> <td>\$1,098,176</td> </tr> </table>	FAA	\$1,000,000	Sponsor	\$49,088	State	\$49,088	<i>Total Program</i>	\$1,098,176
FAA	\$1,000,000								
Sponsor	\$49,088								
State	\$49,088								
<i>Total Program</i>	\$1,098,176								

PROJECT:	Kingman Airport								
SPONSOR:	Kingman Airport Authority								
CATEGORY:	Commercial Service								
SCHEDULE:	FY 2003-2007								
PROJECT #:	E3F25								
PROGRAM AMOUNT:	\$1,061,053								
TYPE OF WORK:	Improve runway safety area (runway 3/21; security enhancements (access control)								
REQUESTED ACTION:	Provide \$56,301 funds to match Federal Grant AIP-12. Total project \$1,259,529:								
FUNDING SOURCES	<table> <tr> <td>FAA</td> <td>\$1,146,927</td> </tr> <tr> <td>Sponsor</td> <td>\$56,301</td> </tr> <tr> <td>State</td> <td>\$56,301</td> </tr> <tr> <td><i>Total Program</i></td> <td>\$1,061,053</td> </tr> </table>	FAA	\$1,146,927	Sponsor	\$56,301	State	\$56,301	<i>Total Program</i>	\$1,061,053
FAA	\$1,146,927								
Sponsor	\$56,301								
State	\$56,301								
<i>Total Program</i>	\$1,061,053								

PROJECT:	Scottsdale Airport								
SPONSOR:	City of Scottsdale								
CATEGORY:	Reliever								
SCHEDULE:	FY 2003-2007								
PROJECT #:	E3F26								
PROGRAM AMOUNT:	\$1,641,350								
TYPE OF WORK:									
REQUESTED ACTION:	Provide \$73,368 funds to match Federal Grant AIP-12. Total project \$1,641,350:								
FUNDING SOURCES	<table> <tr> <td>FAA</td> <td>\$1,494,614</td> </tr> <tr> <td>Sponsor</td> <td>\$73,368</td> </tr> <tr> <td>State</td> <td>\$73,368</td> </tr> <tr> <td><i>Total Program</i></td> <td>\$1,641,350</td> </tr> </table>	FAA	\$1,494,614	Sponsor	\$73,368	State	\$73,368	<i>Total Program</i>	\$1,641,350
FAA	\$1,494,614								
Sponsor	\$73,368								
State	\$73,368								
<i>Total Program</i>	\$1,641,350								

Board Action: A motion to approve Items 19, 20, 21, 22, 23 and 24 was made by Mr. Jeffers, seconded by Mr. Gant and passed unanimously.

PROJECT:	Scottsdale Airport	
SPONSOR:	City of Scottsdale	
CATEGORY:	Reliever	
SCHEDULE:	FY 2003-2007	
PROJECT #:	E1155	
PROGRAM AMOUNT:	\$2,617,718	
TYPE OF WORK:	Extend parallel taxiway; improve runway safety area, Phase 1	
REQUESTED ACTION:	Add \$2,635 funds to match Federal Grant Amendment #1 for AIP-15. Total project \$2,617,718:	
FUNDING SOURCES	FAA	\$2,383,694
	Sponsor	\$117,012
	State	\$117,012
	<i>Total Program</i>	\$2,617,718

Board Action: A motion to approve the above recommendation was made by Mr. Lane, seconded by Mr. Gant and passed unanimously.

PROJECT:	Cochise County Airport	
SPONSOR:	Cochise County	
CATEGORY:	General Aviation	
SCHEDULE:	FY 2003-2007	
PROJECT #:	E2S06	
PROGRAM AMOUNT:	\$54,444	
TYPE OF WORK:	Install additional Airport Perimeter Fencing (approx 26,400 lf)	
REQUESTED ACTION:	Add \$40,000 funds to increase State participation size from \$9,000. Total project \$54,444:	
FUNDING SOURCES	FAA	\$0
	Sponsor	\$5,444
	State	\$49,000
	<i>Total Program</i>	\$54,444

Board Action: A motion to approve the above recommendation was made by Mr. Martin, seconded by Mr. Radicke and passed unanimously.

PROJECT:	Springerville-Babbitt Airport
SPONSOR:	City of Springerville
CATEGORY:	General Aviation
SCHEDULE:	FY 2003-2007
PROJECT #:	EN871
PROGRAM AMOUNT:	\$100,000

TYPE OF WORK:	Install Runway lighting (PAPI).		
REQUESTED ACTION:	Add \$40,000 funds to increase State participation in projects increased costs. Total project \$100,000:		
FUNDING SOURCES	FAA		\$0
	Sponsor		\$10,000
	State		\$90,000
	Total Program		\$100,000

Board Action: A motion to approve the above recommendation was made by Mr. Radicke, seconded by Mr. Jeffers and passed unanimously.

PROJECT:	Scottsdale Airport		
SPONSOR:	City of Scottsdale		
CATEGORY:	Reliever		
SCHEDULE:	FY 2003-2007		
PROJECT #:	E3S12		
PROGRAM AMOUNT:	\$225,000		
TYPE OF WORK:	Design runway safety area improvements; design Corporate Jet's & Terminal apron; design transient aprons; design Taxiway A extension; design perimeter road, phase 2; and, design blast fence.		
REQUESTED ACTION:	Amend scope of work to realign with new project conditions. No change in State Share of costs. Total project \$225,000:		
FUNDING SOURCES	FAA		\$0
	Sponsor		\$22,500
	State		\$202,500
	Total Program		\$225,000

Board Action: A motion to approve the above recommendation was made by Mr. Radicke, seconded by Mr. Martin and passed unanimously.

PROJECT:	Seligman Airport		
SPONSOR:	Yavapai County		
CATEGORY:	General Aviation		
SCHEDULE:	FY 2003-2007		
PROJECT #:	E0120		
PROGRAM AMOUNT:	\$1,061,053		
TYPE OF WORK:	Runway Construction; Access Road Construction; Pavement Markings; Runway & Wind cone lights; Segmented Circle; Security Fence; Land Acquisition &		

	Facilities Building	
REQUESTED ACTION:	Amend scope of work to add land acquisition. No change in State Share of costs. Total project \$1,061,053:	
FUNDING SOURCES	FAA	\$0
	Sponsor	\$53,053
	State	\$1,008,000
	Total Program	\$1,061,053

Board Action: A motion to approve the above recommendation was made by Mr. Jeffers, seconded by Mr. Radicke and passed unanimously.

*ITEM 29A: Commercial Air Service to Rural Communities

Mr. Adams explained the Governor sent a letter to the Transportation Board on September 6, 2002 expressing her concern about the potential impacts a loss of air service would have on rural communities. He said using the State Aviation Fund to provide matching grants to communities was suggested as a possible solution, however, the Mayors of the effected cities agreed the fund would not be an appropriate funding source. He stated the Board discussed the issue during their telephonic study session on October 7 and directed staff to draft a letter to Governor Hull outlining the results of that discussion.

Board Action: A motion to send the letter to Governor Hull was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously.

- * Priority Planning Advisory Committee (PPAC)
 - Minutes – September 5, 2002
 - Highway Program Monitoring Report.
- * Priority Planning Advisory Committee (PPAC) Meeting Schedule
 - Transportation Board Room
 - 206 S. 17th Ave
 - Phoenix, AZ 85007
 - (Times will be announced)
 - October 31, 2002
 - December 5, 2002

RIGHT OF WAY RESOLUTIONS

*	RES. NO:	2002-10-A-049
	PROJECT:	N-801-601 / 999SW000H088801R
	HIGHWAY:	TUCSON URBANIZED AREA
	SECTION:	Various
	ROUTE NO.:	Interstate Business Route 19, Former U.S. Route 89, and State Route 86
	ENG. DIST:	T

COUNTY: Pima
RECOMMENDATION: Disposal by Abandonment to the City of Tucson

* RES. NO: 2002-10-A-050
PROJECT: 600-7-804 / 202LMA000H538201R
600-7-805 / 202LMA000H538301R
HIGHWAY: SANTAN FREEWAY
SECTION: Gilbert Road – Higley Road
Higley Road – Warner Road
ROUTE NO.: State Route 202 Loop
ENG. DIST: M
COUNTY: Maricopa
RECOMMENDATION: Establish portions of the Corridor as a
controlled access state highway

* RES. NO: 2002-10-A-051
PROJECT: U 180-A-800/180CN215H410901R
HIGHWAY: FLAGSTAFF - VALLE
SECTION: Fine Ave. – Navajo Rd., Flagstaff
ROUTE NO.: U.S. Route 180
ENG. DIST: F
COUNTY: Coconino
RECOMMENDATION: Establish additional right of way for
widening improvements

* RES. NO: 2002-10-A-052
PROJECT: I-10-6 (52) / 010CH306H088801R
HIGHWAY: BENSON – STEINS PASS
SECTION: Benson Interstate Freeway Unit II
ROUTE NO.: Interstate Route 10
ENG. DIST: S
COUNTY: Cochise
RECOMMENDATION: Disposal by Abandonment to the City of
Benson

* RES. NO: 2002-10-A-054
PROJECT: S-315-705 / 286PM023H377001R
HIGHWAY: SASABE – ROBLES RANCH
SECTION: Hibbs Ranch Road – Elk Horn Ranch Road
ROUTE NO.: State Route 286
ENG. DIST: T
COUNTY: Pima
RECOMMENDATION: Disposal by Extinguishment and
Relinquishment to the United States of
America, Department of Interior (U.S.
Fish & Wildlife Service)

STATE ENGINEER'S REPORT

* Report on Construction and projects completed in September, 2002.

* Right of Way Acquisition Report for September, 2002.

CONSTRUCTION CONTRACTS

Interstate, Non-Federal Aid

* BIDS OPENED: October 3
HIGHWAY: FLAGSTAFF-HOLBROOK HIGHWAY
SECTION: Milepost 195.0 – 202.0
SECTION: Milepost 202.1 – 203.8
COUNTY: Coconino
ROUTE NO: I-40
PROJECT: I-040-D-507 040 CN 195 H620401C
PROJECT: I-040-D-508 040 CN 202 H622701C
FUNDING: 100% State
LOW BIDDER: C & E Paving & Grading L.L.C.
AMOUNT: \$ 573,600.00
STATE ESTIMATE: \$ 637,340.00
\$ UNDER: \$ 63,740.00
% UNDER: 10%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

Interstate Federal Aid (projects do not need FHWA concurrence,
but must comply with DBE regulations)

* BIDS OPENED: September 19
HIGHWAY: EHRENBERG-PHOENIX HIGHWAY (I-10)
SECTION: I-10/Litchfield Road TI
COUNTY: Maricopa
ROUTE NO: I-10
PROJECT: STP-010-B(004)A 010 MA 128 H531901C
FUNDING: 76% Federal 5% State 19% City of Goodyear
LOW BIDDER: Bison Contracting Co., Inc.
AMOUNT: \$ 693,746.80
STATE ESTIMATE: \$ 659,193.50
\$ OVER: \$ 34,553.30
%OVER: 5.2%
NO. BIDDERS: 10
RECOMMENDATION: AWARD

* BIDS OPENED: October 3
HIGHWAY: EHRENBERG-PHOENIX HIGHWAY
SECTION: I-10, 91st Avenue to 27th Avenue
COUNTY: Maricopa

ROUTE NO: I-10
 PROJECT: ACIM-STP-010-B(003)B 010 MA 135 H591001C
 FUNDING: 94% Federal 6% State
 LOW BIDDER: FNF Construction, Inc.
 AMOUNT: \$ 12,293,333.25
 STATE ESTIMATE: \$ 11,910,648.85
 \$ OVER: \$ 382,684.40
 % OVER: 3.2%
 NO. BIDDERS: 2
 RECOMMENDATION: AWARD

*

BIDS OPENED: September 27
 HIGHWAY: TOPOCK-KINGMAN HIGHWAY (I-40)
 SECTION: Beverly Avenue (Stockton-Harrison)
 SECTION: Mohave Wash Rechannelization
 COUNTY: Mohave
 ROUTE NO: I-40
 PROJECT: TEA-040-A(008)A 040 MO 051 H561201C
 FUNDING: 19% Federal 81% State
 PROJECT: I-040-A-505 040 MO 052 H564801C
 FUNDING: 100% State
 LOW BIDDER: Combs Construction Company, Inc.
 AMOUNT: \$ 2,073,708.16
 STATE ESTIMATE: \$ 2,104,048.21
 \$ UNDER : \$ 30,340.05
 % UNDER: 1.4%
 NO. BIDDERS: 4
 RECOMMENDATION: AWARD

BIDS OPENED: September 27, 2002
 HIGHWAY: TUCSON-CASA GRANDE HIGHWAY
 SECTION: Speedway-Congress
 SECTION: Congress Street
 COUNTY: Pima
 ROUTE NO: I-10
 PROJECT: NH-10-4(148)A 10 PM 257 H313502C
 PROJECT: TEA-10-4(155)A 10 PM 258 H429201C
 FUNDING: 94% Federal 6% State
 LOW BIDDER: Southwest Enviroscares, Inc.
 AMOUNT: \$ 687,481.00
 STATE ESTIMATE: \$ 769,788.50
 \$ UNDER: \$ 82,307.50
 % UNDER: 10.7%
 NO. BIDDERS: 6
 RECOMMENDATION:

COMMENTS:

At the bid opening, Southwest Enviroscapes, Inc. was read as the apparent low bidder with a bid of \$687,481.00. The second low bidder, M. Anderson Construction, Corp., bid \$835,796.00. On September 30, 2002, the Department received a protest of prospective award from M. Anderson Construction, Corp. The protest states in part, "We believe that in order to place a bid for this project, a bidder must possess an

A – General Engineering license."

On September 30, 2002, the Department requested that the Registrar of Contractors review the project documents and provide an opinion concerning the classification of license required to perform this work. At the time of publication of this agenda, the opinion from the Registrar of Contractors had not been received.

This is a Federal-aid funded project. On Federal-aid funded projects, the bidder is not required to have the proper license at the time of bidding, but it must procure the proper license before award can be made, and no later than 60 calendar days after the date bids were opened.

Staff recommends award of the contract to Southwest Enviroscapes, Inc. contingent upon a determination from the Registrar of Contractors that Southwest Enviroscapes, Inc. has the appropriate license on or before November 26, 2002. If the Registrar of Contractors determines that Southwest Enviroscapes, Inc. does not have the appropriate license on or before November 26, 2002, then the contract will be brought before the Board for disposition at its next meeting.

Mr. Wright recommended the Board table the item until the next Board meeting.

Board Action: A motion to table Item 43 until the December Board meeting was made by Mr. Jeffers, seconded by Mr. Gant and passed unanimously.

* BIDS OPENED: September 27
 HIGHWAY: PHOENIX-CASA GRANDE HIGHWAY (I-10)
 SECTION: I-10 / Riggs Road TI
 COUNTY: Maricopa

ROUTE NO: I-10
 PROJECT: HES-STP-010-C(005)A 010 MA 167 H568201C
 FUNDING: 94% Federal 6% State
 LOW BIDDER: Archon, Inc.
 AMOUNT: \$ 711,000.00
 STATE ESTIMATE: \$ 809,153.70
 \$ UNDER: \$ 98,153.70
 % UNDER: 12.1%
 NO. BIDDERS: 10
 RECOMMENDATION: AWARD

(Non-Interstate Federal-Aid "A" "B" projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)

BIDS OPENED: September 19
 HIGHWAY: QUARTZSITE-WICKENBURG HIGHWAY
 (US 60)
 SECTION: Los Altos Drive – Jefferson Street
 COUNTY: Maricopa
 ROUTE NO: US 60
 PROJECT: TEA-060-A(003)A 060 MA 109 H569001C
 FUNDING: 94% Federal 6% State
 LOW BIDDER: Down to Earth Contracting Inc.
 AMOUNT: \$ 448,866.73
 STATE ESTIMATE: \$ 577,369.75
 \$ UNDER: \$ 128,503.02
 % UNDER: 22.3%
 NO. BIDDERS: 7
 RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Jeffers and passed unanimously.

* BIDS OPENED: September 19
 HIGHWAY: BENSON-DOUGLAS HIGHWAY (SR 80)
 SECTION: St. David - Clifford Wash
 COUNTY: Cochise
 ROUTE NO: SR 80
 PROJECT: STP-080-A(005)A 080 CH 302 H453501C
 FUNDING: 94% Federal 6% State
 LOW BIDDER: Granite Construction Company
 AMOUNT: \$ 2,180,180.00
 STATE ESTIMATE: \$ 2,190,200.00
 \$ UNDER: \$ 10,020.00

% UNDER: 0.5%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

(Non-Interstate Federal-Aid required FHWA Concurrence and compliance with DBE regulations)

* BIDS OPENED: September 27
HIGHWAY: GILA BEND – BUCKEYE HIGHWAY (SR 85)
SECTION: Lewis Prison TI
COUNTY: Maricopa
ROUTE NO: SR 85
PROJECT: STP-085-B(005)N 085 MA 137 H595502C
FUNDING: 94% Federal 6% State
LOW BIDDER: FNF Construction, Inc.
AMOUNT: \$ 10,278,488.83
STATE ESTIMATE: \$ 9,866,800.00
\$ OVER: \$ 411,688.83
% OVER: 4.2%
NO. BIDDERS: 7
RECOMMENDATION: AWARD

Non-Interstate, Non-Federal Aid

BIDS OPENED: September 19
HIGHWAY: STATE PARKS ROADS
SECTION: Catalina State Park
COUNTY: Pima
ROUTE NO: SR 77
PROJECT: N-900-0-553 077 PM ASP H503501C
FUNDING: 100% State
LOW BIDDER: Southern Arizona Paving & Construction, Co.
AMOUNT: \$ 939,956.90
STATE ESTIMATE: \$ 1,120,383.00
\$ UNDER: \$ 180,426.10
%UNDER: 16.1%
NO. BIDDERS: 9
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Jeffers, seconded by Mr. Radicke and passed unanimously.

* BIDS OPENED: September 27
HIGHWAY: AGUA FRIA FREEWAY (LOOP 101)

SECTION: 75th to 51st Avenue
COUNTY: Maricopa
ROUTE NO: 101L
PROJECT: S-101-A-503 101L MA 017 H603501C
FUNDING: 100% State
LOW BIDDER: M A C Contracting Inc.
AMOUNT: \$ 690,123.60
STATE ESTIMATE: \$ 721,913.00
\$ UNDER: \$ 31,789.40
%UNDER: 4.4%
NO. BIDDERS: 8
RECOMMENDATION: AWARD


CONSENT AGENDA

Board Action: A motion to approve the Consent Agenda was made by Mr. Jeffers, seconded by Mr. Gant and passed unanimously.

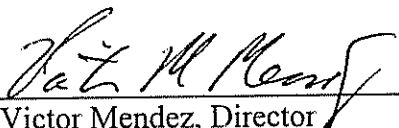
ADJOURN

Board Action: A motion to adjourn was made by Mr. Radicke, seconded by Mr. Hileman and passed unanimously.

The meeting adjourned at 11:35 a.m.



Ingo Radicke, Chairman
State Transportation Board



Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.